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**SUSTAINABLE APPROACH TO THE PROBLEM OF PASSIVITY
AND SOCIAL EXCLUSION OF SENIORS IN POLAND: BUSINESS
PLAN OF A CENTRE FOR ACTIVE SENIORS**

MARTA MARIA SULEWSKA

Student numbers:

NOVA–School of Business and Economics 2916

Warsaw School of Economics 53316

A Project carried out on the Master Double Diploma Program in Management, under the
supervision of:

Luis Correia da Silva

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**Sustainable approach to the problem of social exclusion of Polish seniors:
business plan of a Centre for Active Seniors**

The following paper results from examination of two significant social problems: passivity and social exclusion of seniors. The recognition of those issues in a region located in author's mother country became the reason for the business concept with innovative approach. As such, the idea of a Centre for Active Seniors emerged and gave the basis for further research and creation of a sustainable business model. Thus, the Work Project focuses on introducing the reader to a new reality in which seniors' have incentives for self-development and by using their skills they are remunerated for providing services to local society.

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Key words:

- Seniors
- Skills
- Self-development
- Sustainability

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Chapter 1: Introduction

1.1 Problem identification

Following thesis is a business plan of a Centre for Active Seniors, which is created as a response to current social needs of elderly people in Poland. The thesis contains the problem description, recognition of current trends regarding ageing society, and the business plan itself.

There are several aspects that are relevant to describe current situation as well as future trends of Polish society and in particular seniors above 60 years old. First of all, the prediction of demographic structure for next fifteen and twenty five years does not look promising as the population pyramid indicates unfavourable changes in the ratio of people in a working age to citizens who already retired (see Picture 1 in additional appendix). (United Nations, 2016)

Another important aspect is the financial situation of retired population, which is strictly connected to amount of pension they receive as well as family support and additional activities performed by seniors. The average pension amounted to 1923 zloty in 2015, however differed significantly among voivodships (see Chart 1 in additional appendix). (Piotr Błędowski, 2012)

Lastly, the activity of seniors and facilities available are to be discussed. Chart 2 (in additional appendix) presents the percentage of people in different ages who belong to at least one non-governmental organization, percentage of active members and percentage of volunteers. The data shows that membership in an organization does not necessarily mean that a person actively participate in its activity and there is twice less active than formal members. Also the number of volunteers drops significantly in each age group higher than 55-59, especially in groups over 70-years. By analysing the data one may draw conclusion that pensioners not only resign from work but also from active participation in social life. Activity of Polish seniors reaches the lowest level in the whole European Union (Chart 3 in additional appendix). (Czapiński i Błędowski, 2014)

Above presented data proves that active seniors in Poland are still relatively small group, thus their potential is not fully discovered and used in order to add value to the society. Hence, the organizations providing work opportunities as well as self-development services might positively contribute to the solution for the passivity and social exclusion of Polish seniors.

1.2 Idea and concept description

Above described social problems led to the idea of creating Centres for Active Seniors. The trends have been analysed for the whole nation, since future actions predict opening a chain of described Centres in Poland, the business plan is going to focus on the first Centre, which is going to operate in Dzierżoniów (Lower Silesia Voivodship). Beside solving local social problems, this entity would also test a sustainability of a business model provided in the thesis. The Centre is going to operate as registered association to take advantage of recent change in Law on Associations, which enables faster registration (from three months to one week) as well as decrease the amount of founders from 15 to 7. (Amendment to the Law on Association, 2015) Also the fact that non-government organizations can apply to more sources than companies to gather external financing, such as special programs for non-profit organizations only, more eager sponsors, empowers the decision of taking this particular legal form.

The most distinguishing part of the projected business model is the fact that members of the association would be able to decrease the amount of membership fee by working for the local community and The Centre itself. Members would have a chance to become employees of The Centre as well as use the market offers found by the organization. Hence, a member might become a part-time shop assistant in a facility run by the Centre or provide services accordant with the professional profile (for example a retired teacher may provide tutoring for local pupils). The members would be retired citizens who do not require constant health care (The Centre is not going to provide medical assistance) and who want to actively spend their time.

The Centre should be also perceived as a social space available for the members of the community, which enables them to proceed with their self-development, develop social network and entertain themselves. The space is going to be located on a suburbs of a town, so that in order to perform any kind of additional activity the members would have to leave their houses. Once they do so, they would be provided with wide range of possible ways of spending their time. Each member of the community is to be given a choice to take part in activities which fall into following categories: health, self-development, entertainment, charity and paid activities (see Table 1).

Not only is the Centre going to be a meeting spot for seniors but also a platform for intergenerational integration. Teenagers would be encouraged to teach seniors about the new technologies and spend active time with them. The Centre might become the essential infrastructure for knowledge and skills exchange among generations. Young people might be convinced to take part in the initiative in exchange for free private lessons, trips or pocket-money.

Thus, the customer value is created by providing all the forms of activities (Table 1), creating space home alike for meeting with other peers as well as creating intergenerational platform for exchanging knowledge and experiences.

The value is captured by several sources of income. First of all, the members would be obliged to pay a fee of a certain amount on a monthly basis, the money raised that way are to cover all expenses needed to maintain inevitable infrastructure and facilities as well as hire specialists who organize given activities and cover the margin. Specialists are experienced professionals who are willing to cooperate with The Centre and provide their services, such a language lessons or sport activities. They are going to be remunerated either according to particular project requirements (if the projects, such as a year-long language course for seniors, are going to be subsidized by EU) or by The Centre. Moreover, the commission on selling the goods

hand-made by the members as well as services provided by them to local society are to cover the expenses connected to maintaining the infrastructure needed to distribute those goods and would be spend on widening the Centre's offer. Money raised by organizing events, such as parties, conferences, etc. would be kept by the Centre and spend on the touristic activities of its members. Thus, the business model is a mix between fees and commissions approach.

The problem of rather low income of elderly people and the necessity of paying for membership is to be solved by providing several possible sources of income to the members. As the Centre grow there are going to be jobs created by the Centre itself. Due to the location at the ponds in proximity to the area inhabited by 100 000 people there is a chance to open a restaurant, café, and a fishing spot with a fish shop. Besides, as mentioned before the members would be able to learn skills which later on are used to produce hand-made goods and distributed by the Centre and its online infrastructure. Additionally, the Centre and its members are to create an external offer for seniors from other regions and organize events, such as few-days workshops combined with visiting local attractions and integration sessions.

The complexity makes The Centre a pioneer idea, thus the pioneer advantage is to be obtained. The pioneer advantage is defined as an advantage over competitors, and is realized as a benefit of being "the first", which in this case means that the Centre will benefit from favourable image of an innovative organization (Schindler, 2012)

1.3 Vision

The proper and meaningful strategic vision needs to be highly personalized and indicate a specific long-term goal of the organization. There are three main pillars, on which management should base the vision's creation. First of all, the vision should reflect a deep understanding of the business environment, in which the company operates. The vision statement also needs to inspire and interest those, who are reading it but at this same time it has to remain clear and

understandable. Finally, a well-perceived vision aims at stating when the organization is to change its strategic mission. (Thompson, 1996)

The Centre for Active Seniors is supposed to become a local symbol of active aging and rediscover the potential of seniors. The members should discover the attractiveness of life-long learning and change their attitude toward retirement. The place shall become the centre of seniors' activity in the region and open their minds and curiosity for changes and for new adventures. At this same time the local community of seniors is going to become much more aware, educated and concerned about their health and changes in modern world regarding new technologies. All of those is to be obtained by cooperation with specialists and young volunteers.

The Centre's main task is to build the community and strengthen its ties by providing common goals and experiences as well as becoming another home for seniors, who want to fully live and enjoy their lives. The stronger the community the more satisfaction for the members as well as more growth potential for the business and possibility to expand.

The members shall be active from the very beginning of the project, thus The Centre would provide opportunities for temporary job at the early stage of renovation of the buildings belonging to old mill. Summing up all above mentioned aspects the vision of The Centre is *to become a symbol of active-aging by redefining the meaning of seniors in the society.*

1.4 Objectives

In order to establish stakeholders' expectations as well as create a draft for company's development the objectives are to be set. Well defined objectives need to follow certain rules, which might be well-described by SMART method. This tool orders the process of creating strategic goals by framing its features, in fact SMART is an acronym for Specific, Measurable,

Agreed upon, Realistic, Time/Cost limited. By following this specification one is able to build easy to assess objectives and avoid vague statements. (Richman, 2006)

As such, several strategic goals have been build, to determine the Centre's strategic operations. The organization is able to buy the mill on its own but cannot afford purchase and renovation of two buildings and equipping them, thus the most challenging part would be to gain sufficient external financial means. The association is going to apply for European Union and government funds as well as actively search for sponsors and partners. The aim is to minimize the necessity of opening the credit line or decrease the amount of credit inevitable to begin the operations. Hence, the Centre has the budget of 400.000zl and needs to raise another 650.000zl (300.000 in first year of operation and 350.000 in the following year) to enable purchase and renovation of both buildings and 300.000zl for operations in the first year resulting from negative cash flow, which are going to be covered by credit.

Another relevant step for The Centre would be to gain recognition and begin. Later on it may count on network effect, however to be able to take advantage of one, it needs to gain the first group of clients. Thus, the first goal to be reached is to engage the group of at least twenty seniors from local community in first three months of Centre's activity to work on the renovation and initial marketing campaign.

As the first group would be already converted into brand ambassadors the next step is to create the community in which at least 2% of local population would be affiliated. Since the total number of inhabitants in age between 60 and 74 amounts to 17 529 the goal is to attract at least 50 active (taking part in the Centre's activities at least once a week) persons in the first two years, 100 persons within first four years and 150 members within 6 years of activity which amounts to around 0,85% of the target group. The above mentioned clients are to create a community and actively participate in social life of the Centre. However, in order to achieve this goal there is a strong need to build a brand recognition. The aim of marketing campaigns

and strategy would be to reach at least 30% brand recognition within first year and reaching the level of 70% in following year. Such a high brand recognition is to be obtained by establishing partnerships with relevant authorities as well as NGOs operating in the region and measured by surveys conducted on target group.

By carrying out the survey the customers' satisfaction is to be measured. The sufficient level of satisfied clients equals to 90%.

When it comes to expansion plans, the objective is to expand to another location within the country in 2 years from opening the first Centre and expanding to another European country within 5 years. Moreover, another objective is to establish at least 10 partnerships with non-governmental organizations for Seniors from Germany, Russia, Czech Republic, Slovakia and Ukraine and organize at least one integration meeting with each of them within first two years of Centre's activity. This would satisfy the need of intercultural integration as well as enable seniors to travel and gain new experiences.

Another goal is to attract at least 20 teenagers in first year and 50 in the second year of Centres' activity for continuous cooperation. This would ensure reaching the intergenerational interactions.

Chapter 2: Market analysis

2.1 Five Forces Analysis

As results from pervious analysis there are demographic trends indicating that the target group for companies operating in senior's sector records a steady growth. As long as the mobility of seniors is still relatively low and the company initially plans to focus on a local market, the analysis involves solely Dzierżoniów County, in which the Centre is going to operate.

In order to perform detailed market analysis, the Porter's Five Forces Model was chosen. By performing the analysis one is able to assess five main indicators which influences market's

attractiveness. The forces are as follows: Competition in the industry, potential of new entrants into the industry, power of suppliers, power of customers, threat of substitute products. The assessment of each force is a response on the question, whether the strength of each of them is sufficient to reduce or even eliminate potential industry profits. (Besanko David, 2010)

Although currently there is no direct competition on the local market to the Centre, the management expects that in the future Centers basing on similar business model might emerge. Thus, in the competitors' sector all of the relevant local organizations for seniors have been mentioned, so that the management would be following their strategic changes and assess if their business model is not changing due to the Centre's influence. This is to guarantee a constant market analysis and knowledge about changing business environment.

Regarding the competition in the industry, even though the infrastructure for seniors is not developed, the need of social activities amongst pensioners led to establishment of several entities in Dzierżoniowski county. (Klon/Jawor, 2016) Most of them were created by retired members of the society either alone or with the cooperation with public social entities. There are two before mentioned dynamically developing organizations, namely Third Age University and PZERI. The University of the Third Age in Bielawa is a non-profit association supported by local authorities, established by active senior citizens in 2005. On the other hand, PZERI is a national federation with over 60-years of experience and high recognition solely led by seniors. Both already exist in the awareness of local seniors and gathered significant number of members.

Both associations mentioned as well as the rest of initiatives (see Table 3) are market players among which the Centre needs to find its place, by a distinguishing positioning strategy and innovative offer. The organizations mentioned, operate as NGOs, have the strongest brands and as a result the highest number of members. As long as they target very similar group, they are

to be considered as the most relevant competitors and analyzed with proper attention (see Table 6.).

When it comes to potential of new entrants into the industry, once the Centre turns out to be a success, there is a threat of entrance of the players basing on a similar business model in the near future. Hence, to prevent from copying the business model the franchising system is to be created and given as an alternative to establish a similar entity without deep understanding of a business model.

In case of the Centre, suppliers are to be defined as entities providing health, sport and educational services. Being aware of the fact that seniors is a price sensitive group, the Centre would be focusing on providing paid services, which are more standardized and use its bargaining power in order to negotiate best possible prices with English teachers, doctors and health consultants, sport instructors due to the high importance of number of hours sold to the Centre for the suppliers. Some of the services and workshops are going to be provided by founders as well as pensioners themselves for the rest of the group. As long as the service providers are highly concentrated, there are no switching costs as well as a lot of substitutes are present on the market, the power of suppliers is to be assessed as low.

High volume of potential customers is concentrated on relatively small area of Dzierżonowski's District. Nonetheless, changing their previous organization in order to become a member of the Centre means new costs for them, however the opposite move realizes no switching costs. The profits that the Centre is going to obtain from the members differs, depending on the offer they choose. Although, the group is price sensitive it requires certain quality standards, which are not to be neglected. Taking into consideration above mentioned indicators one concludes that consumers have moderate power.

Substitutes might be defined as all of the organization operating in the region, targeting this same group of clients and providing them with similar services. Although, most of them offer entertainment, educational as well as tourism services, none gives the opportunity for raising money. This seems to be the most distinguishing feature, which significantly decrease the power of substitutes. Hence, the other institutions are not going to be perceived as a direct substitutes and their strong market position will be weaker, despite strong brands.

Chapter 3: Regional industry available offer

3.1 SWOT analysis

In order to assess chances for favourable development of business idea, SWOT analysis is to be launched. The tool depicts and enables understanding of both resource-based internal strengths and weaknesses as well as environment-based external (industry) opportunities and threats, which influence future of a given enterprise. (Lynch, 2015)

The SWOT analysis presented below depicts a position of the business idea of Centre for Seniors in current industry and political conditions in the county.

There are several relevant strengths of the idea. First of all, there is no such an organization in the region, which would provide seniors with such a variety of services. Besides, the founder is well-known in the local society and has over 20-years' experience in organizing touristic events, which gives a competitive advantage against investors, who are not linked to local society. Another positive aspect is a favourable rural location of the investment. Finally, the investment bases on providing services and outsourcing most of the needs which makes it flexible.

The most limiting weakness is a rather small budget. The time needed to fully implement the offer is highly dependent from external financing. Moreover, before mentioned pioneer advantage results in lack of market's patterns to follow on a polish market.

Current macro situation brings several opportunities. First of all, due to the before mentioned fact of demographic predictions social initiatives supporting seniors gain on importance . Moreover, European Union programs are the opportunities to gain source of financing for The Centre. Another opportunity seems to be still relatively undeveloped infrastructure for senior citizens. Also current political plans of decreasing retirement age are the opportunity for The Centre.

On the other hand, current regulations implement gradual increase in the retirement age, which is a threat of decrease in a target group. Another significant barrier is a mentality of elderly people in Poland and lack of their engagement in social life. There are also a few main threats regarding this particular investment itself. First of all, the price of the mill remains unknown so far, hence there is a risk of too high seller's expectations. Another risk is a high dependence on external financing and subventions. Moreover, the mill has no connection to public water supply and currently uses internal infrastructure. On top of that, the mill is situated on the suburbs, thus the connection with the town's center is rather weak.

Chapter 4: Project Structure and Operational Strategy

4.1 Investment stages

The whole project is strongly dependent on external financing, thus optimal solution relies on dividing its accomplishment into certain stages. This would facilitate financial appraisal of each part and simplify planning process depending on future budget. The project is going to consist of four stages, as that mill consist of two separate buildings, which are going to be used for different purposes and do not need to be necessarily renovated at the same time.

In the initial part of the project, the founder is going to register the association and apply for financing to European Union, Polish government, local authorities, foundations for seniors, private companies and other sponsors. The more convinced partners, the higher chance for the

project to begin, thus the initial part is the most relevant. As soon as sufficient funds to renovate at least one of the buildings would be raised, The Centre can begin its operations as soon as the founders buy the mill. Since at the very beginning The Centre is not going to employ members, it would be searching for job opportunities for them. Firstly, The Centre needs to recognize the skills of its members by carrying out a detailed survey in which members would declare their experiences, abilities and skills as well as jobs performed in the past. This would enable fitting the job offers to their skills. Moreover, beside specialized modules The Centre would also offer jobs which do not demand educational background, such as small reparations, catering and au-pair services. The supply of member's services is going to be displayed in social media, web page and other internet tools. The main advantages for users would be low prices and experienced workers.

The second stage begins with following actions: founders needs to design logo, create online infrastructure, such as webpage and social media channels. This would begin marketing campaign, which aims at educating local society and building community of senior members. In order to adjust the building itself and vicinity, one needs to apply for water supply agreement at PKP SA, since as mentioned in SWOT analysis currently the mill uses internal water infrastructure. Moreover, the founder is going to apply for lease of the ground which adjoins the mill to enable design and creation of a garden and relaxation zone. In the initial phase the entrepreneur will also present the idea to local Non-Government Organizations described in previous chapter as well as local authorities and initiate partnerships with those which are willing to cooperate. This aims at strengthening emerging brand and its reliability. Besides, local media such as local newspaper, internet portal and regional televisions are going to be invited to visit and spread the news about the new investment.

The third stages are dependent on the amount of financial support received by The Centre. In order to distinguish priorities, one created two separate investment phases. There are two

buildings requiring thorough renovation, each for a different purpose: one that is going to be a multifunctional meeting spot (ground floor) and health and recreation (first floor), and the other for the mill with gastronomic part. The most essential part is to create a multifunctional meeting place, which could be used for organizing most of the indoor activities, thus the first investment stage is going to focus on renovation of this building. The ground floor would contain a living room with a temporary kitchen and first floor would be specially prepared for performing sport activities, so that there would be two separate classrooms with mirrors and indoor sport equipment as well as 2 separate classrooms for educational activities and project meetings. At this same time flowers, fruits and vegetables garden is to be opened as a part of recreation zone.

The second investment phase is going to involve renovation of the old gas mill. Thanks to the renovation the mill would become a part of a restaurant and increase attractiveness of the place. The kitchen would be used by seniors up until 12 o'clock and later by Centre members for commercial purposes, namely running the restaurant. The Mill has three floors, which enables organization of events and having the restaurant opened at the same time. The restaurant would base its menu on traditional polish cuisines as well as fishes cultivated in ponds, therefore at this investment stage also ponds are going to be adjusted for stocking and fishing. Investment in ponds predicts preparation of bottoms as well as building infrastructure for fishing, such as landing stages, fish shop, etc. As restaurant and fishing posts would be in process of renovation also parking slots are to be prepared for future restaurant's clients.

At the above mentioned investment stages the association would have two founders, who at the same time would be the only employees. Most of the services connected to renovation of buildings and ponds are going to be outsourced and done by both external professional companies and members willing to join the community at the very first stage. The first members would be motivated by remuneration and more attractive prices of membership in The Centre.

Chapter 5: Business Concept and Plan

5.1 Stakeholders analysis

The four-dimension analysis has been conducted to deepen the understanding of different expectations and relevance of particular stakeholders (see Table 1).

Firstly, the external stakeholders have been studied, among which clients are the first group. As they are the reason why The Centre is going to operate, their contribution is one of the most relevant. The seniors are to create community, participate and organize events and workshops. However, to attract their attention The Centre's marketing needs to be well adjusted to their needs and convince some of them to change current organization and make others change their habits and become active member of the local society. Thus, by professional approach and tailored services the trust is to be gained. Main concerns regarding customers are to be solved by professionally prepared and implemented marketing strategy (see 5.3).

Another significant stakeholder appears to be the local authorities. Once The Centre begins to operate they gain a new infrastructure for local seniors and thus a part of a solution for relevant social problem. In this case benefits are mutual, since The Centre expects financial support as well as gaining recognition by establishing a partnership with local authorities. However, there is a possibility that authorities would not be willing to financially support operations, thus a professional approach and early and clear communication is needed to avoid unwanted doubts. Also other institutions, such as European Union and Polish government, become significant stakeholders upon which depends the success of the project. The Centre becomes an entity fulfilling desired social politics aspects and at this same time it benefits from legal and financial support.

Other NGO's operating in the region seems to be stakeholders as well. If the project becomes successful, other organizations gain a strong partner, which empowers the meaning of the social

problem they want to solve, hence it attracts authorities', business' and society's attention and might encourage engagement of more entities and volunteers in solving the problem. As such, founders expect that the actions and projects of organizations supporting local seniors would gain on importance also if the organizations are willing to cooperate. The unwillingness to cooperate, resulting from fear of losing members might be mitigated by establishing partnerships and clear communication.

Further stakeholders appear to be senior's sons and daughters due to two dimensions. First of all, in some cases sons and daughters are going to financially support their parents' membership in the association, but in other cases there might be a conflict between parents and sons and daughters' needs. Whilst parents want to actively participate in the association, some of their kids expects them to take care of grandchildren, thus The Centre is going to organize events for kids and enable grandparents to bring grandchildren to the mill. Hence, senior's sons and daughters need to be well-informed about the possibilities of mutual gains for them and their parents resulting from the membership in the association. To increase the awareness, the marketing campaign is to be split on two client's categories: seniors and their sons and daughters.

Next stakeholder is the mill owner. He benefits from receiving the selling price on which he would negotiate with the association's founders. The possible issue is setting too high price, which would have to be solved by building new facilities on the grounds belonging to the founders.

Another part in the project is PKP, which needs to agree to build a water pipes under the railway tracks. If the company do not agree on that, The Centre would have to use internal water infrastructure. The last group of stakeholders of the project are banks. As at the beginning of Centre's operations the founders predict negative cash flows, the association would require opening a credit line. This means that credit's the terms and conditions are going to be

negotiated. As the Centre is a non-profit organization of a social profile there is a possibility to apply for a credit at social banks, which might offer better conditions.

5.2 Company Structure

In order to begin the implementation one needs to decide on legal form as well as organizational structure and employment policy.

The most suitable legal form is an association registered in Companies House. This solution gives wide opportunities of gaining financial support from several public sources, such as local authorities and government, which would not be available for a company due to public fund's restrictions. Registered Association also provides possibility of employing members and earning money for charter's goals, which in this case are social integration, development and entertainment of senior citizens. As such, the association may also receive gifts, falls as well as 1% of personal income tax. It also has legal personality, which enables concluding legal business contracts.

In order to establish such an association one needs to gather seven founders with polish citizenship and full legal capacity and prepare required documentation, among which the most important is charter. Charter is a document which states goals of the association and ways of achieve them, rules of gaining a membership, rules regarding management, ways of raising and spending money and other inside regulations.

This kind of a legal form brings more attractive taxation form, due to its social character, thus more funds would be disposable for members. Registered associations pursuing the social goals of educating and taking care of healthy life style of senior citizens are exempt from income tax.

The organizational structure is dictated by legal form, hence the decisions regarding implementation of general assembly's decisions are made by executive board, which contains

x members. The board is supervised by audit committee and all of the members are part of general assembly.

As to employment strategy, there are going to be two founders employed on a full-time basis remunerated for their management activity as well as workshops organization. Since most of the services would be outsourced, the specialists, such as language teachers, are not going to become Centre's employees. As such, the association is going to have two full-time employees and number of specialists cooperating on order contracts basis. As soon as the restaurant is opened the association's members would have an opportunity to apply for work in this entity. They are going to be remunerated per hour by deducting a given sum from their membership fee. If the amount of money earned exceeds the amount of membership fee the money is going to be collected on individual accounts and spend on additional activities such as travels. This will guarantee that the money will be spend on self-development and entertainment of the members, which is the aim of the association.

5.3 Marketing Strategy

So that the entrance to the market has higher chances to be successful, the marketing strategy needs to be prepared. To do so, The Centre needs to have a specific target group as well as distinguishing brand positioning, which would base on points of difference from its competitors.

Thus the first step is to define a target group. As a non-profit organization The Centre is going to target two groups- members and donors. Members are retired seniors, both women and man (although the founder predicts higher number of active women) in the age of 60-75 from Dzierżoniów county. The target group can be distinguished by willingness to spend their time actively. The educational background plays no role as long as the person is willing to learn. The Centre is also going to apply for donation from local business and citizens, thus the marketing

campaigns are going to involve representatives of local companies, foundations, authorities and other entities willing to support the organization.

The brand is going to be positioned as an innovative solution for social needs, ambassador of active ageing and multigenerational integration. The brand needs to be associated with modern and professional approach, which is going to a at social integration, which means that seniors are going to prepare events for kids and whole families as well as build the platform for knowledge exchange by providing tuition services in which both teenagers and seniors are to be teachers and students.

The Centre is also going to engage in both offline and online activities. Firstly, to convince sponsors founders are going to organize meetings which would aim at making the representatives familiar with the idea and needs of the association. After a general meeting each of the potential sponsors would be approached individually to discuss the role in the relation. The informative meetings are also going to be organized for seniors through housing associations and partners. Not only meetings but also active participation in local events and fairs is part of the offline marketing strategy. On each of those meeting printed materials are to be distributed, since most of the potential members do not use online tools.

However not only members, but also partners, senior's sons and daughters, authorities, sponsors and media needs to be constantly informed. Hence, the online infrastructure, such as modern web page and social media (Facebook, LinkedIn, Twitter) are to be created. Besides, to stay in a contact with all of the stakeholders a mailing database is going to be created and used for marketing and informative purposes.

Another relevant aspect is a Public Relations politics. Media needs to get familiar with the concept of the new association and later on constantly informed about the events organized by The Centre. Proper contact and relations with press, radio, television, and web portals is

essential to gain recognition and reliability, thus media are going to be invited for all of the major events.

To make the comprehensive analysis more concise the 7P's Analysis for services have been conducted. The Analysis consists of seven main subjects to discuss: product, price, promotion, place, people, processes and physical evidence.

The product, which a membership in the association and ability to take part in all of the available activities has already been described in details in previous parts of the thesis. The old mill together with all aligning facilities is supposed to be perceived as a physical environment in which the product is available for the members. The mill is going to be redecorated to seem home alike. The feeling of being at home is particularly important for seniors. The interiors are going to be bright, cosy and comfortable to increase the satisfaction of the members.

The price is going to be set at the level of 500zł per month. The price is going to be reduced by the remuneration received by performing work for the Centre or for external clients. Each hour is going to be priced 12,5zł per hour, so that the total refund of the membership fee would be possible by working on $\frac{1}{4}$ of the full-time job, which is 10 hours per week. Also The Centre is going to offer lower prices for those members, who are going to declare longer cooperation, such as 450 per month for those, who decides on at least 3 months' cooperation and 400 for those who oblige to stay at least 6 months.

The services offered by The Centre are going to be sold by several distribution channels. Firstly, consumers, events guests are going to be invited to the old mill. Some of the hand-made products are going to be sold either in the mill, through the Internet, on the local market, as well as on flea markets in the region. Depending on the quantity and quality of produced goods it will be also possible to make contracts with designer shops.

When it comes to the human resources, as mentioned before, due to legal requirements, there is going to be an executive board of 7 members, audit committee and general assembly. Besides all of those organs, the external employees are going to be hired to provide educational, health and sport services.

Finally, the process of enrolment the new member into the community is to be described. As a potential member wants to register, he or she is going to be invited for a meeting, during which an interview is to be carried out. Firstly, the potential member would describe his or her professional experience, hobbies, skills and abilities, show the areas of interest and underline the areas in which he or she wants to develop the skills. Later, the workshops and classes offer is to be presented and the member would choose the activities he or she wants to take part in. The member would also have to declare is he or she is interested in performing any job as well as indicate the areas that can be taught by the member to other members. The new member would be able to use an offer of a free day of activities in The Centre to experience how it operates and decide weather is satisfied by the conditions offered by the community.

The complexity of marketing strategy results from the fact that it is one of the most important processes, inevitable to attract new members, sponsors and partners. Without properly prepared marketing campaigns The Centre would not gain sufficient popularity in the society.

5.4 Financials

Table X (see Appendix) provides a complex information about financial predictions of the project. The position “Costs” contains renovation costs, costs of The Centre as well as costs of restaurant. The position “renovation” contains the costs of the purchase as well as renovation and equipment purchase to the Centre and the restaurant. It is assumed that the price of the mill equals to 550.000zl, and the average cost per square meter of renovation the existing building equals to 625zl. The mill and the Centre are located in two buildings, each 240 square meters

(both has ground floor of 120 square meters and equal size of a first floor). Thus the overall cost of renovation equals to 300.000zł. Also the cost of equipment for 2 floors of restaurant and the Centre are assumed to amount to 200.000zł. Thus the total amount of initial investment is estimated to amount to 1.050.000zł. Another general cost is a cost of marketing, which counts costs of meetings, printed materials, online infrastructure and all expenses described by marketing strategy.

In a further section there are Centre's costs, which include water, electricity, gas, mobile, internet bills as well as costs of specialists (counted as 50zł per hour for English, German, fitness classes). The specialists are to be remunerated per hour of working with a group of 10 persons (one hour twice a week) on language courses and 15 persons on sport activities (one hour twice a week). Another monthly expenditure included in this section are costs of snacks and drinks for members, cleaning and rubbish disposal (on average 1000zł/month), remuneration of two receptionists- 3000zł and management 8000zł).

Another section is restaurant expenditure. In this case the amount consists of several bills (water, electricity, air conditioning, gas, mobile, internet), outsourced services (disinfection, computer services, rubbish disposal, cleaning, ingredients transportation, book handling, post office costs), the costs of office articles, cleaning articles, costs of ingredients and personnel remuneration all summed up to an amount of 33.600zł per month. Also a monthly credit rate has been counted, assuming that the total amount of credit is 300.000zł and total cost of credit equals to 3,15%, thus yearly rate equals to 34265,52zł.

The revenues have been divided into four categories: renovation grants, Centre's membership fees, Centre's additional activities and restaurant revenues.

Firstly, the renovation grant's revenues, amounting to 1.000.000zł predicts raising 550.000zł (from both sponsors and founders) as well as European Union and government grants (from

Ministry of Family, Labour and Social Policy: project ASOS and project “Active forms of social exclusion’s prevention 2014-2020”, Swiss Fund, Financial Mechanism of Norway, Polish-American Foundation of Liberty, Kronenberg Foundation, Foundation of KGHM) of 450.000zl.

Another position is a revenue made on a membership fees. All the number has been calculated as constant, 12-month payments of 500zl by members (assuming the average monthly amount of members as follows: in the first year- 30 members, in second year, 50 members, in third year 70 members, in fourth year 100 members, in fifth year 120 members, in year sixth 140 members and from seventh to tenth the full capacity- 150 members).

Another source of revenue is additional activity of the centre, which includes organizing events, raising funds from sponsors and selling hand-made goods (seasonal products, catering, etc.) as well as providing services of the value higher than membership fee (more than 500 zl per month. The amount has been calculated according to an assumption that on average each senior is going to generate additional 150zl in providing goods and services to the community each month.

Finally, the last position in revenue section is a “restaurant”. This position contains predictions on future average yearly incomes from Centre’s restaurant. The founders assume, that the revenues are going to increase by 10% in first three years and later on up until tenth year by 5% each year. The initial monthly number has been calculated by assuming the average amount of operating day in a month of 25, average number of clients per day of 40 and average spending per client of 42zl, which results in a monthly income of 42.000zl.

As a result, the first year cash flows generate over 260.000 deficit, which needs to be covered by credit. Hence, depending of the success of fund rising the founders assume the necessity of taking credit of 300.000zl for 10 years.

5.5 Sustainability Analysis

To prove the financial sustainability ROI (Return On Investment), WACC (Weighted Average Cost of Capital) and NPV (Net Present Value) has been calculated.. In case of The Centre ROI measured by the equation (sum of project's 10-years revenues-sum of project's 10-years costs)/sum of project's 10-years costs, equals to 36%. Another important indicator is WACC. In order to calculate WACC following assumptions has been made:

- European Union's cost of capital equals to 0%;
- alternative costs of investment in a fund equals to 46% (according to financial calculator of "Investor" Investment Fund, when initial deposit equals to 550.000, will be kept for 10 years and yearly return equals to 7%);
- total cost of a credit equals to 3,15%.

Hence, WACC was calculated as: (amount of credit/total investment value)*cost of credit+(value of raised funds/total investment value)*alternative cost, which in equation looks as follows: $(300000/850000)*0,0315+((550000/850000)*0,46)=30.88\%$

Only investments, in which ROI is higher than WACC are financial feasible. As in case of the project $ROI > WACC$ ($36\% > 30.88\%$) one may state that the project is financially feasible.

Also the Net Present Value has been calculated as a discounted stream of Cash Flows of the project. The assumed rate equals to 3% (average predicted inflation rate for next years) and the $NPV=3\,493\,815,93\text{ zł}$. The NPV compared to the value of initial investment clearly shows, that in next ten year the investment is going to significantly exceed initial value of the investment (1392655,2).

Both CAPEX and OPEX are going to be covered by increasing revenues stream.

Taking into account the financial indicators one may state, that the analysis proves the financial sustainability of the project.

Conclusions

The idea of the thesis was to present a sustainable approach to the problem of social passivity and threat of social exclusion of senior citizens. The business plan restricts the idea of creating the chain of Centres for Active Seniors to Dzierżoniów County and places it in the old gas mill in suburbs of Dzierżoniów as a first entity and a first chance to test a business model in the society well-known by the founders.

The Centre fulfils the requirements of three dimensions of sustainability: social, environmental and economical. As the project aims at solving social problem of passivity of seniors by providing them with job and self-development opportunities, it enables the rediscover of their potential and helps in bringing the seniors back to the society. Hence, the seniors' skills are used to help local society and make them feel needed again. By pursuing all above mentioned objectives, the Centre becomes socially sustainable, due to the fact that both clients and local society benefit from project implementation.

The project also predicts usage of existing resources and renovation of the old gas mill. It is free of environmental pollution, since there are no activities performed by the Centre, which negatively influence the environment, beside standard litter and sewage. Additionally it positively influences the local landscape by the renovation and bringing the old buildings back to use for local society. Not only buildings but also fishing ponds are going to be restored, thus the local bio system is going to be enriched by a new facility.

Finally, as it was proved in the chapter five by the analysis, the project is also economically sustainable and has a chance to satisfy stakeholders. This means that the investment require only initial financial support, but later on it would be financially independent and thus sustainable.

APPENDIX

Table 1. Activities offered by the Centre

Cathegory	Activities
Health&Sport	<ul style="list-style-type: none"> • Excersies supporting back • Finess • Dance lessons • Care of the private doctor and periodical medicine tests • Nordic walking and cycling trips • building a healthy workout routine
Self-development	<ul style="list-style-type: none"> • foreign language lessons • computer lessons • intelectual workshops (discussion clubs/lectures) • Manual skills workshops
Tourism and entertainment	<ul style="list-style-type: none"> • Bus/walking trips in the neighbourhood • horse riding lessons (cooperation with neighbouring stud) • Party and events organization • Access to all facilities of the Centre
Charity	<ul style="list-style-type: none"> • Cooperation with animal shelter • Work for the centre (gardening, etc.) • Money rising by organizing events
Culture	<ul style="list-style-type: none"> • Creating and watching theater plays • Opera and balley trips • Guided museum tours • Trips to cultural places
Remunerated services	<ul style="list-style-type: none"> • Depending on willingness or abilities the members would be able to order workshops of given skills in order to be able to produce hand-made goods and sell them in the future; • Centre would act as a distributor for hand made products of the community by opening a stationary and internet shop as well as providing opportunities for the members to participate in events in which they would be able to present their work; • Cathering; • Organizing events for families and friends (picnics, parties, theater plays) • Help in finding temporary jobs

Table 2. Comparison of services provided to seniors by local entities

	Year of establishment	Frequency of meetings	Initiator	Health	Manual workshops	Intellectual workshops	Tourism offers	Intergenerational integration	Seniors' community	Sport activities	Event organization	Charity	Employment	Day care	Social support	Level of significance
The Centre	2018	everyday	Private investor	x	x	x	x	x	x	x	x	x	x	x		n/a
University of Third Age in Bielawa	2005	everyday	Pensioners	x	x	x	x		x	x	x					high
Association of Pensioners and Disabled in Dzierżonów	1955	irregular	Pensioners	x	x		x		x	x	x				x	high
Dzienny Dom Pomocy Społecznej	2004	everyday	Local authorities						x					x		low
Senior's Computer Club	2015	once a month	Association of Polish Librarians			x			x							low
Klub "Druha Młodość 50+ " in Mościsko	2009	twice a week	Seniors		x				x	x	x					moderate
Bielawski Klub Seniora	2008	twice a month	Day Care House of Bielawa		x		x		x		x					low
Pieszycki Klub Seniora	2016	once a week	Day Care House of Pieszyce						x	x						low

Table 3. Organizations affiliating seniors in Dzierżoniów District.

Name	Legal form	Description
University of the Third Age in Bielawa (Bielawski Uniwersytet Trzeciego Wieku)	Association	Organization aiming at intellectual activation of retired citizens in Dzierżoniów county by providing them with educational services created in association with University of Wrocław. Besides it coordinates lectures, sports activities, healthy life style promotion, activities based on members' hobbies, day-trips, holiday trips
Association of Pensioners and Disabled in Dzierżoniów (Związek Emerytów, Rencistów I Inwalidów)	Association	Local subsidiary of national association created and administrated by pensioners, which aims at organizing active leisure activities for retired citizens and integrate local pensioners' community. It organizes touristic trips (short and long time), cultural and sports events, integration meetings
Computer Club for Seniors by Association of Polish Librarians	Association	A Club intending to teach local seniors basic computer skills. Once a month the club organizes educational meetings
Social Service's Day Care House (Dzienny Dom Pomocy Społecznej)	Government institution	The House is a space adjusted for a day care of people in rough life situation, especially elderly citizens, who can participate in the activities, which prevent them from social exclusion and integrate them as a community; It also supports Senior's Club operating as a part of the House
Centre of Social Activation run by Foundation Manufacture of Initiatives	Foundation	The Centre gathers citizens (the poorest, citizens who has been unemployed for a long time, disabled, threatened by social exclusion to bring them back to society by organizing entrepreneurial workshops, career consulting and psychological support)

Table 4. SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. The Centre is going to provide complex services to fulfil most of the needs 2. Favourable location 3. Pioneering advantage 4. Owners position in the local society 5. Social character of the investment 6. High flexibility of the investment 	<ol style="list-style-type: none"> 1. Lack of experience with work with elderly people 2. Limited budget, thus success of the investment is dependent on external financing 3. Lack of business patterns to follow on a Polish market

7. Co-founder has over 20-years' experience with organizing touristic activities 8. Founders possess 3ha adjacent to the mill	
Opportunities	Threats
1. More attention from Polish authorities, higher budget (ASOS) 2. European politics supporting elderly people 3. Increasing average life expectancy 4. Low rate of active seniors in Poland 5. Not well-developed infrastructure 6. Demographic predictions 7. Closest area (within around 5km) there is a population centre of 100 000 ppl 8. Government plans to decrease retirement age 9. Low average pensioners' income	General 1. Increasing retirement age (current regulation) 2. Future possible budget problems and thus decreasing rate of subventions on social aims 3. Mentality of older people, psychological state of pensioners 4. Strong brands operating in the region already consociating many members Regarding the investment 5. High price of the mill 6. High initial investment costs 7. Problems with town's water supply to the mill 8. Lack public transportation means

Table 5. Description of stages in operational plan

Investment stage	Processes
Stage I	<ul style="list-style-type: none"> • Registering the association • Applying for financial means to European Union and government • Searching for sponsors
Stage II	<ul style="list-style-type: none"> • Beginning of marketing campaign: designing logo and creating online infrastructure, such as webpage and social media; educating local society about the existence of The Centre by organization of meetings with seniors and potential partners • Applying for water supply to PKP • Applying for lease of the grounds around the mill • Inviting local media (press, radio, tv) • Recognizing skills of first members • Looking for job opportunities for members

Stage III	<ul style="list-style-type: none"> • Renovation of the first building with meeting spot, classrooms and sport facilities • Equipping the building
Stage IV	<ul style="list-style-type: none"> • Renovation of the old gas mill and ponds • Equipping the restaurant • Preparation of parking slots

Table 6. Stakeholders and customer analysis

Stakeholder	Benefits (for them)	Contribution (to the project)	Potential issues/ Problems (problems affecting project)	Communication/Future Actions
Local Seniors	<ul style="list-style-type: none"> • Place for spending free time; • Self-development; • Integration with other seniors; • Better health; 	<ul style="list-style-type: none"> • Create community of active seniors; • Become teachers for others; • Become employees in The Centre; • Pay membership fees • Help in renovation of the mill; 	<ul style="list-style-type: none"> • Lack of trust in new organization; • Already engaged in other organizations and unwilling to change it; • Unwilling to pay for membership; • Not willing to engage in organization of events; 	<ul style="list-style-type: none"> • Clear communication about The Centre's goals and plans; • Intense personal marketing action (meetings) to gain trust; • Show clear possibilities of earning money for membership fees;
Local authorities	<ul style="list-style-type: none"> • Gaining new infrastructure for Senior citizens; • Lower rate of unemployment within the group 50+; • New initiatives for local community; 	<ul style="list-style-type: none"> • Financial support; • Lease of the ground nearby the mill; • Partner to The Centre; 	<ul style="list-style-type: none"> • Lack of financial means to support the project; 	<ul style="list-style-type: none"> • Early communication of investment plans and establishing partnership to embrace reliability of the project; • Close cooperation with Major and Senior's Council of the town;
PZERI and University of the Third Age	<ul style="list-style-type: none"> • Gaining potential partner; • Higher effectiveness of organized events in cooperation with The Centre; 	<ul style="list-style-type: none"> • Part of the marketing plan, place for advertisement and gaining new members; 	<ul style="list-style-type: none"> • Not willing to cooperate due to the fear of losing members; 	<ul style="list-style-type: none"> • Establishing strong partnerships with mutual gains for both organizations;
Other NGO's	<ul style="list-style-type: none"> • Potential partners • Strong player on the market, which increases relevance of the problem they care for; 	<ul style="list-style-type: none"> • Partnerships strengthening position of Senior citizens' issues; • Cooperative event's organization; 	<ul style="list-style-type: none"> • Lack of interest in cooperation; 	
Senior's sons and daughters	<ul style="list-style-type: none"> • Occupied parents caring for their minds and health • Multigenerational integration of grandparents, 	<ul style="list-style-type: none"> • Financial support for parents in fees payment; • Active participation in events organized by The Centre and 	<ul style="list-style-type: none"> • Conflict between taking care of grandchildren and self-development activities; 	<ul style="list-style-type: none"> • Separate marketing communication to make the kids support their parents in investing in themselves;

	parents and sons and daughters during events	help in organization; • Some might become sponsors;		
PKP		• Agreement for water supply linkage under tracks;	• Lack of the agreement for a water pipe tunnel under the tracks;	• Highlighting the social character of the investment and the necessity of proper sanitation;
UE	• Investment in a solution for one of the most relevant current social problems;	• Financial support of the project;	• Lack of subvention;	• Application outsourced to specialists;
Mill's owner	• Gains sells price	• Sells the mill; • Informs about current state of the mill;	• Overstatement of the mill's price	
Banks	• Gains the revenues from credit;	Opens credit line as a source of financing;	• Difficulties in opening credit line; Unattractive credit conditions;	

Table 7. Financial plan (in zloty)

Year	1	2	3	4	5	6	7	8	9	10
Total Costs	1747465,52	865585,5	876037,5	965924,7	1110958	1168532	1247316	1278378	1310994	1360240
Renovation	1050000	60000	5000	5000	20000	5000	5000	5000	5000	20000
Marketing	60000	50000	30000	30000	30000	30000	30000	30000	30000	30000
Operational costs of the Centre	200000	277800	318900	360000	463200	507600	556800	556800	556800	556800
F&B costs (restaurant)	403200	443520	487872	536659,2	563492,16	591666,77	621250,11	652312,61	684928,24	719174,65
Credit	34265,52	34265,52	34265,52	34265,52	34265,52	34265,52	34265,52	34265,52	34265,52	34265,52
Revenues	1483000	944400	1155840	1450824	1496365	1711583	1946563	1985391	2026160	2068968
Renovation grants	700000									
Centre (membership fees)	255000	300000	420000	600000	576000	720000	900000	900000	900000	900000
Centre additional activities	24000	90000	126000	180000	216000	252000	270000	270000	270000	270000
F&B revenue (restaurant)	504000	554400	609840	670824	704365,2	739583,46	776562,63	815390,76	856160,3	898968,32
Cash Flow	-264465,52	78814,48	279802,5	484899,3	385407,5	543051,2	699247	707012,6	715166,5	708728,1
NPV	3 493 815,93									

Total investment cost

1392655,2

ROI

36%

WACC

30,88%

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